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SENSITIVE
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DEPARTMENT FOR EUR/RUS AND WHA/CCA (GZAMBRANO)

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TAGS: [PGOV](#) [ETRD](#) [ECON](#) [PREL](#) [CU](#) [RS](#)
SUBJECT: RUSSIA REVIEW FOR SUSPENSION OF TITLE III OF THE
LIBERTAD ACT

REF: A. STATE 48487
[1](#)B. MOSCOW 397

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SUMMARY

[1](#)1. (SBU) In response to ref A request, GOR support for democracy and human rights in Cuba has been minimal. Cuban President Raul Castro visited Moscow in January 2009. The visit produced no major political agreements and only modest strengthening of the limited economic ties between the countries. Little has changed in the Cuba-Russia relationship since the Castro visit, although Russian drug makers Pharmstandard and Pharmapark recently signed an agreement with Cuba's Center of Genetic Engineering and Biotechnologies to cooperate on vaccine production in Russia. Many observers view Russia's efforts to improve political and economic ties with Cuba as a vanity foreign policy project. END SUMMARY.

Limited Democracy and Human Rights Efforts

[1](#)2. (SBU) We are not aware of any GOR action to promote the advancement of democracy and human rights, to condemn human rights abuses, or to support the development of civil society in Cuba.

High Level Visits

[1](#)3. (SBU) Cuban President Raul Castro visited Moscow January 28 to February 4, 2009 (ref B). Raul Castro and Medvedev signed a number of agreements establishing joint ventures in various economic spheres, including automobile manufacturing and energy cooperation, but energy experts were quick to discount the value of the oil agreements. Additionally, Russia agreed to provide Cuba with over \$300 million in loans at below market interest rates, but the financial assistance is contingent on Cuba using the bulk of the proceeds to purchase Russian goods and services. Russia also pledged two shipments of grain, of 25,000 and 100,000 metric tons, worth USD 37 million. Many experts view such visits as part of a vanity foreign policy project.

Investment and Trade Relations

¶4. (SBU) In the past several months, the countries have signed several agreements in telecommunications, automobile production, nickel extraction, and oil and gas extraction, all of which provide for only general cooperation. Beyond these general agreements, Cuba has agreed to purchase or lease seven Russian-made aircraft. In addition, Kamaz, Russia's largest truck manufacturer, has agreed to sell its trucks in Cuba and to establish a Cuban assembly plant with Cuba's Tradex.

¶5. (SBU) In 2008, Russia-Cuba two-way trade totaled USD 265.1 million (down 7% from USD 285 million in 2007), according to Russian statistics, and constituted a tiny fraction of Russia's nearly USD 11 billion in two-way trade with Latin American and Caribbean countries in 2008 (up 34% from USD 8.1 billion in 2007). Russia's principal exports to Cuba are aircraft, heavy machines, and equipment. Cuba's principal exports to Russia are sugar, pharmaceuticals, medical equipment, and cigars.

Exchange and Medical Programs

¶6. (SBU) Russian officials have made general statements about the potential for closer cooperation between Russia and Cuba in health care, including the possibility of greater pharmaceutical purchases from Cuba. Russian drug makers Pharmstandard and Pharmapark recently agreed with Cuba's Center of Genetic Engineering and Biotechnologies to cooperate on vaccine production in Russia.

BEYRLE